

**138.4602 Determination of motor vehicle retail price for sales on or after September 1, 2009. (Effective September 1, 2009)**

- (1) (a) Effective for sales on or after September 1, 2009, of:
  1. New motor vehicles;
  2. Dealer demonstrator vehicles;
  3. Previous model year motor vehicles; and
  4. U-Drive-It motor vehicles that have been transferred within one hundred eighty (180) days of being registered as a U-Drive-It and that have less than five thousand (5,000) miles;

the retail price shall be determined by reducing the amount of total consideration given by the trade-in allowance of any motor vehicle traded in by the seller. The value of the purchased motor vehicle and the amount of the trade-in allowance shall be determined as provided in subsection (2) of this section, and the availability of the trade-in allowance shall be subject to subsection (3) of this section.
- (b) The retail price shall not include that portion of the price of the vehicle attributable to equipment or adaptive devices necessary to facilitate or accommodate an operator or passenger with physical disabilities.
- (2) (a) The value of the purchased motor vehicle offered for registration and the value of the vehicle offered in trade shall be attested to in a notarized affidavit, provided that the retail price established by the notarized affidavit shall not be less than fifty percent (50%) of the difference between the applicable value of the purchased motor vehicle, as determined under the method described in paragraph (b) of this subsection, and the trade-in value of any motor vehicle offered in trade, as established by the reference manual.
- (b) If a notarized affidavit is not available:
  1. The retail price of the purchased motor vehicle offered for registration shall be determined as follows:
    - a. Ninety percent (90%) of the manufacturer's suggested retail price of the vehicle with all equipment and accessories, standard and optional, and transportation charges; or
    - b. Eighty-one percent (81%) of the manufacturer's suggested retail price of the vehicle with all equipment and accessories, standard and optional, and transportation charges in the case of new trucks of gross weight in excess of ten thousand (10,000) pounds; and
  2. The value of the vehicle offered in trade shall be the trade-in value, as established by the reference manual.
- (3) (a) The trade-in allowance permitted by subsection (1) of this section shall be for motor vehicles purchased between September 1, 2009, and ending August 31, 2010, and shall be subject to a cap of twenty-five million dollars (\$25,000,000). The trade-in allowance shall be available on a first-come, first-served basis. Implementation and application of the cap shall be determined

by the department through the promulgation of an administrative regulation in accordance with KRS Chapter 13A.

- (b) The administrative regulation shall include:
  - 1. A method for new vehicle dealers and county clerks to determine the amount of the new vehicle credit cap at any point in time during the year; and
  - 2. A notification process to all county clerks when the new vehicle credit cap has been reached during the year.
- (4) When the cap established by subsection (3) of this section has been reached, and for all motor vehicles purchased after June 30, 2010, the retail price of all motor vehicles listed in subsection (1) of this section shall be:
  - (a) The total consideration given, including any trade-in allowance, as attested in a notarized affidavit; or
  - (b) If a notarized affidavit is not available, the retail price of the motor vehicle offered for registration shall be determined as follows:
    - 1. Ninety percent (90%) of the manufacturer's suggested retail price of the vehicle with all equipment and accessories, standard and optional, and transportation charges; or
    - 2. Eighty-one percent (81%) of the manufacturer's suggested retail price of the vehicle with all equipment and accessories, standard and optional, and transportation charges in the case of new trucks of gross weight in excess of ten thousand (10,000) pounds.

The retail price shall not include that portion of the price of the vehicle attributable to equipment or adaptive devices necessary to facilitate or accommodate an operator or passenger with physical disabilities.

**Effective:** September 1, 2009

**History:** Created 2009 (1st Extra. Sess.) Ky. Acts ch. 1, sec. 112, effective September 1, 2009.